

REMARKS

Claims 1-6, 8-13, 15-17, 19-24 and 26-39 are pending in the application. Claims 1-6, 8-13, 15-17, 19-24, 26-30, 32 and 35-39 were rejected under 35 U.S.C. §103(a) over Wireless Commerce Ltd. international application number WO 00/22907 ("WCL") in view of the Applicant's disclosure. Claims 31, 33 and 34 were rejected under 35 U.S.C. §103(a) over WCL in view of Aggarwal et al. patent number US 6,151,589 ("Aggarwal '589").

By this amendment, new claims 40-46 have been added.

A. Statement of the Substance of Interviews

1. February 11, 2004 Interview

No exhibits were submitted for the interview. Claims 1, 3 and 12 were discussed. Prior art references discussed included WCL and the *Background* of the Applicant's specification.

In the interview, the Examiner agreed that the finality of the office action rejection will be withdrawn because WCL in combination with the Applicant's specification was raised for the first time in the last Office Action.

Next, the obviousness rejection was discussed. Applicant argued that there was no suggestion or motivation to modify the references. WCL only describes a buyer's relationship with a bank. The Examiner recommended considering amending the pending

claims to further define the relationship and/or the agreement between the seller and financial institution.

2. March 3, 2004 Interview

The Applicant submitted for discussion a set of proposed claim amendments. Prior art discussed included WCL and the Applicant's specification.

Applicant presented to the Examiner how the cited references failed to suggest the desirability of the claimed invention. The Applicant described the risks that are currently assumed by a seller in an auction and how those risks are shifted and assumed by a financial institution according to the claimed invention. The Applicant emphasized that WCL only describes a buyer's relationship with a financial institution and does not provide any motivation to be combined with the Applicant's disclosure.

B. § 103(a) Rejection

1. Claims 1, 2, 6, 8-11, 19-20, 24, and 26-34

Each of claims 1, 19 and 32 includes the step of,

providing a guarantee via a factoring agreement between the seller and a financial institution, wherein the factoring agreement obligates the financial institution to pay at least a portion of the payment due from the winning buyer to the seller.

To establish a rejection under 35 U.S.C. §103(a), "there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings." See MPEP §2142. Neither WCL nor the Applicant's specification suggests the combination as found in claims 1, 19 and 32.

The *Background* of the Applicant's specification describes a relationship between a seller and a financial institution in connection with sale of goods. In contrast, WCL describes a relationship between a buyer and a financial institution.

WCL describes a problem in prior art auctions wherein a buyer was required to have a credit account with a bank. See, p.1, lns. 32-35 and p.3, lns. 1-4. To eliminate the need for the buyer-bank relationship, WCL discloses a method wherein the buyer makes bids using a mobile communication system and the purchase price is added to the buyer's telephone bill. See, p.5, lns. 26-33; and p.9, lns 21-26. WCL does not mention, much less suggest or motivate, any payment protection the seller may acquire from a financial institution.

The combination recited in claims 1, 19 and 32, provides protection to the seller from fraud - for example, where the buyer does not pay for the goods or services delivered. Because the use of a financial institution in this manner instills a

high degree of confidence in the auction, more sellers will be attracted to participate in the auction. There is no suggestion of any such advantageous result in WCL or the *Background* of the Applicant's specification. Without any suggestion or motivation for combining the cited references, hindsight would be required to modify the teachings of WCL with the *Background* of the Applicant's specification. Therefore, a *prima facie* case for obviousness cannot be established.

Claims 2, 6, and 8-11, depending on claim 1, should also be allowable in part as depending upon an allowable base claim. Further, claim 8 includes the step of wherein the at least one seller applies online for the guarantee by the financial institution prior to posting the goods or services for sale at the auction; and claim 11 includes the step wherein the financial institution receives commissions from the at least one seller in consideration for providing the guarantee, and wherein the auction manager receives a commission for each guarantee provided by the financial institution. Each of these steps is not disclosed or otherwise taught by the cited references.

Claims 20, 24 and 26-31, depending on claim 19, should also be allowable in part as depending upon an allowable base claim. Further, claim 26 includes the step of wherein at least one seller applies online for the guarantee by the financial institution prior to posting the goods or services for sale at

the auction; and claim 29 includes the step of wherein the financial institution receives commissions from the at least one seller in consideration for providing the guarantee, and wherein the auction manager receives a commission for each guarantee provided by the financial institution. Each of these steps is not disclosed or otherwise taught by the cited references.

Claims 33 and 34, depending on claim 32, should also be allowable in part as depending upon an allowable base claim.

The Office Action also rejects claims 31, 33 and 34 over WCL in view of Aggarwal '589. As discussed above, WCL does not disclose "providing a factoring agreement between the seller and a financial institution, wherein the factoring agreement obligates the financial institution to pay at least a portion of the payment due from the winning buyer to the seller." Aggarwal '589 also does not disclose such a step. A *prima facie* case of obviousness requires that the prior art (or references when combined) must teach or suggest all the claim limitations. See MPEP 2142. The combination of WCL and Aggarwal '589 fails to teach or suggest every element of claims 31, 33 and 34. Therefore, claims 31, 33 and 34 are non-obvious and allowable.

2. Claims 3-5 and 21-23

Each of claims 3-5 and 21-23 includes the steps of;

providing a **guarantee** by a financial institution to pay at least a portion of the payment due from the winning buyer to the seller;

wherein the guarantee is a ... factoring agreement **between the seller and the financial institution.**

As described above in Section B1, there is no suggestion or motivation to combine WCL and the *Background* of the Applicant's specification. Therefore, a *prima facie* case for obviousness cannot be established against claims 3-5 and 21-23.

Also, claims 3 and 21 each includes the limitation wherein the guarantee is a single transaction factoring agreement. Such a limitation is not disclosed or otherwise suggested by the cited references.

Further, claims 4 and 22 each includes the limitation wherein the guarantee is a no-loan factoring agreement. Such a limitation is not disclosed or otherwise suggested by the cited references.

Moreover, claims 5 and 23 each includes the limitation wherein the guarantee is a loan factoring agreement. Such a limitation is not disclosed or otherwise suggested by the cited references.

3. Claims 12, 13 and 15-17

Claim 12 includes the steps of;

providing a **guarantee** by a financial institution to pay at least a portion of the payment due from the winning buyer to the seller;

wherein the at least one **seller applies for the guarantee by the financial institution** prior to posting the goods or services for sale at the auction.

As described above in Section B1, there is no suggestion or motivation to combine WCL and the *Background* of the Applicant's specification. Therefore, a *prima facie* case for obviousness cannot be established against claim 12.

Claims 13 and 15-17, depending on claim 12, should also be allowable in part as depending upon an allowable base claim.

4. Claims 35-39

Claim 35 includes the steps of,

providing a plurality of factoring agreements to a **seller**, wherein the seller posts goods or services to be sold at the auction, and wherein each factoring agreement **guarantees the seller** payment of at least a portion of the funds due from a sale in the auction; and

entering the seller into a factoring agreement.

As described above in Section B1, there is no suggestion or motivation to combine WCL and the *Background* of the Applicant's specification. Also, neither WCL nor the *Background* of the Applicant's specification suggests providing a plurality of

factoring agreements to a seller. Therefore, a *prima facie* case for obviousness cannot be established against claim 35.

Claims 36-39, depending on claim 35, should also be allowable in part as depending upon an allowable base claim. Claim 36 further includes the step wherein the plurality of factoring agreements includes a single transaction factoring agreement, a no-loan factoring agreement, and a loan factoring agreement. Such a step is not disclosed or otherwise suggested by the cited references.

C. New Claims 40-46

Claims 41-46 includes steps or limitations directed to protecting the seller from fraud by, for example, shifting the risk of non-payment to a financial institution. Support for these claims may be found throughout the specification - for example, on p. 16, lns. 1-3 and p. 17 lns 14-18; and more generally on pp. 15 - 19.

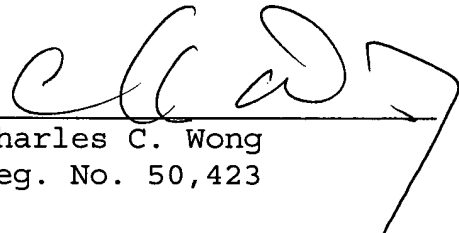
D. Conclusion

Therefore, it is respectfully submitted that claims 1-6, 8-13, 15-17, 19-24, and 26-46 are allowable and a Notice of Allowance is earnestly solicited. Should the Examiner believe that issues remain as to the allowability of the pending claims, it is requested that the Examiner contact the undersigned at (213) 489-3939.

Respectfully submitted,

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Dated: March 4, 2004

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